No. 11,352

United States Circuit Court of Appeals

For the Ninth Circuit

SOUTHERN PACIFIC COMPANY, a corporation,

Appellant,

vs.

RECONSTRUCTION FINANCE CORPORATION, a corporation,

Appellee.

REPLY BRIEF FOR APPELLANT

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APPELLEE'S SUMMARY OF CASE

(Appellee's Brief, Pages 1-8)

The facts are stipulated and so the Court in its consideration of this case can refer to the complete text of the Stipulation of Facts and the exhibits attached thereto. Any restatement of the facts in the interest of brevity, whether made by Appellant or by Appellee, may give rise to implications not justified by the complete text,

or may not portray adequately and correctly the situation as presented therein. A few examples will serve to emphasize this and the necessity of referring to the complete text.

On page 2 of Appellee's brief it is stated that "The transportation of the motor benzol was on government bills of lading, and every bill of lading was marked *'For Military Use'*". The record (Tr. 41, 43) shows that these bills of lading were prepared and furnished by the agent of Defense Supplies Corporation (hereinafter referred to as Defense Supplies) under instructions from Defense Supplies to mark on all of said bills of lading "For Military Use." Thus, Defense Supplies put on each bill of lading prepared and furnished by it a self-serving statement as a basis for claiming the right to make land-grant deductions. As said in *Louisville & Nashville R.R. v. United States,* 267 U.S. 395, 398, 69 L.Ed. 678: "But the mere use of government forms of bills of lading is not conclusive on the question of ownership of property at the time of transportation and does not give the United States the right of transportation at land-grant rates." Likewise, the fact that Defense Supplies put the words "For Military Use" on the bills of lading did not make the property military property at the time of its transportation or make its movement at that time a movement for military use.

Beginning at the bottom of page 4 of Appellee's brief it is stated that "On April 2, 1942, *the War Production Board* in writing (Tr. 35) recommended that Defense Supplies purchase (as a commencement) 50,000,000 gallons of motor benzol for essential use in the synthetic rubber program *for manufacture of styrene,* and also for essential

use as an *addition* to 100 octane gasoline, either as benzol or as a *derivative of benzol.*" The record shows that the War Production Board recommended, insofar as Defense Supplies was concerned, the purchase of 50,000,000 gallons of motor benzol for the purpose of creating a stockpile of that material (Tr. 35-40).

Beginning at the bottom of page 6 of Appellee's brief it is stated: "Thus, 9.66% of the original motor benzol was used in the production of rubber products for Army and Navy in and for war." The Stipulation contains the statement (Tr. 50): "9.66% of the motor benzol was used in the production of rubber products sold to the Army and Navy for their uses" and not that contained in Appellee's brief.

In other parts of the brief reference to the complete text of the Stipulation of Facts and the exhibits thereto is necessary in order to get the complete picture. Thus, beginning on page 33 of Appellee's brief it is stated that "they [supply contracts] provided that certificates of inspection be delivered to authorized representatives of the *War and Navy Departments;* and officials and employees of the *War and Navy Departments* were made agents of Defense Supplies to accept delivery of the aviation gasoline." The situation here was that Defense Supplies had contracts with oil companies for the purchase of aviation gasoline of a certain quality, and Defense Supplies had entered into a contract for sale of gasoline of the same quality to the Army and Navy. The contracts of Defense Supplies with the oil companies provided for inspection of the gasoline to determine whether it was of the required quality or not, and it was further provided that the certificates of inspection "shall be issued in

five counterparts, one set of which shall be delivered forthwith to the authorized officer or employee of the War or Navy Departments'' (Tr. 115-116 and 145-146), purchasers from Defense Supplies of the same quality of aviation gasoline which Defense Supplies was purchasing from the oil companies. In fact, the terms of the contract under which the Army and Navy purchased gasoline from Defense Supplies required that the Army and the Navy be furnished with a copy of the inspection certificates (Tr. 165). It is true that the proper officers and employees of the War and Navy Departments, or either of them, were made agents of Defense Supplies to accept delivery of the aviation gasoline, but that did not constitute delivery to the Army and Navy. After they had accepted delivery for Defense Supplies, delivery was then made to the Army and Navy (Tr. 162, 172, 173).

On page 8 of Appellee's brief it is stated ''The aforesaid summary presents ultimate facts found below on the stipulated evidence, and the evidentiary facts will be detailed in our argument.'' The facts as set forth in Appellee's ''Summary of Case'' are not the ultimate facts as found by the Court below on the stipulated evidence but are taken from or based on the Stipulation of Facts. The findings of fact by the Court below are set out on pages 208 to 213, both inclusive, of Transcript of Record.

THE TRANSPORTATION ACT OF 1940. ITS HISTORY AND CONSTRUCTION.

(Appellee's Brief, Pages 8-12)

In construing Section 321, Title III, Part II of the Transportation Act of 1940, it is not necessary to refer to cases dealing with acts involving facts and circumstances different from those prevailing in this case because the Supreme Court of the United States has stated the rule of construction to be applied. That Court has held that a contract resulted when the railroads constructed their lines under the proposals made by the United States in the land-grant Acts. In *United States v. Galveston etc. Ry. Co.,* 279 U.S. 401, 73 L.Ed. 760 (cited by Appellee p. 10) the Court held (p. 404) "the terms of the obligation are to be sensibly and fairly read according to the words employed and not expanded or restricted by construction."

In *Lake Superior & M. R.R. Co. v. United States,* 93 U.S. 442, 23 L.Ed. 965, the Court held (p. 454):

> "It might be very convenient for the Government to have more rights than it has stipulated for; but we are on a question of construction, and on this question the *usus loquendi* is a far more valuable aid than the inquiry what might be desirable."

The proposal made by the United States in Section 321 became a contract upon acceptance by the carriers and "the terms of the obligation are to be sensibly and fairly read according to the words employed and not expanded or restricted by construction." Under the terms of this contract the obligation of land-grant aided carriers under the land-grant Acts was, to some extent, contracted

or made less burdensome in that the right of the United States to make deductions from tariff rates for the transportation of government property was limited to the transportation of "military or naval property of the United States moving for military and naval and not for civil use." On the other hand, the obligation was expanded to make land-grant deductions applicable to the transportation of the property of the members of the military and naval forces of the United States when such members are traveling on official duty. Prior to the passage of the Transportation Act of 1940, it had been held in *United States v. Galveston etc. Ry. Co., supra,* that the right of the United States to make land-grant deductions was not applicable to the transportation of the property of members of the armed forces of the United States traveling on official duty.

In addition to the expansion of the obligation of land-grant carriers, they, including Appellant, released to the United States certain claims under the land-grant Acts. While Appellee apparently seeks to leave the impression that the claims released were not substantial, the Secretary of the Interior, who was given supervision by Section 321(b) of these releases for the Government, apparently thought differently. See official press release of Department of Interior, made just after approval of the releases filed by Southern Pacific Company and its subsidiaries, included in Appendix hereto.

THE MOTOR BENZOL WAS NOT AT THE TIME OF ITS TRANSPORTATION "PROPERTY OF THE UNITED STATES", WITHIN THE MEANING OF SECTION 321(a) OF TITLE III, PART II OF THE TRANSPORTATION ACT OF 1940.

(Appellee's Brief, Pages 13-27)

The heading on page 13 of Appellee's brief is: "THE MOTOR BENZOL, NAKED LEGAL TITLE TO WHICH AT THE TIME OF ITS TRANSPORTATION WAS IN THE NAME OF A CORPORATE INSTRUMENTALITY OF THE UNITED STATES, SUCH AS DEFENSE SUPPLIES CORPORATION, WAS 'PROPERTY OF THE UNITED STATES' WITHIN THE MEANING OF PARAGRAPH (A) OF SECTION 321 OF THE TRANSPORTATION ACT OF 1940, AND THE UNITED STATES WAS THE REAL AND BENEFICIAL OWNER THEREOF."

There is no evidence whatever that Defense Supplies held only the naked legal title to the motor benzol at the time of its transportation. On the contrary, it is alleged in the Answer filed by Defense Supplies (Tr. 27) and agreed in the Stipulation of Facts that at the times of said transportation said motor benzol was purchased and owned by and was the property of Defense Supplies (Tr. 42). Attention is called to the fact that under the provisions of the Charter of Defense Supplies its stockholder was not "liable for the debts, contracts, or engagements of the corporation except to the extent of unpaid stock subscriptions" (Tr. 56).

The cases cited by Appellee in support of its position that the property of Defense Supplies was the property of the United States, are based upon principles different from those involved in this case and serve to emphasize

that those cases are not properly applicable to this case. One case cited by Appellee (p. 22) is *Cherry Cotton Mills, Inc. v. United States,* 59 F. Supp. 122. Here we refer to the decision (March 25, 1946) of the Supreme Court of the United States in that case, in Supreme Court L. Ed. Advance Opinions Vol. 90-11, p. 704. Cherry Cotton Mills, which was indebted to R.F.C., sued the United States for processing and floor taxes paid by the Company under the Agricultural Adjustment Act. It was held that the United States could counterclaim in the suit against it for the amount due by Cherry Cotton Mills to R.F.C. That decision involved the construction of the statute which permits the United States to counterclaim in suits brought against it, and was based on the ground as stated by the Court that "Every reason that could have prompted Congress to authorize the Government to plead counterclaims for debts owed to any of its other agencies applies with equal force to debts owed to R.F.C." The Court, however, pointed out that the Government's right to counterclaim rested on different principles from those involved in such cases as this one. The Court said:

> "Nor is this Congressionally granted power to plead a counterclaim to be reduced because in other situations and with relation to other statutes, we have applied the doctrine of Governmental immunity or priority rather strictly. The Government here sought neither immunity nor priority. Its right to counterclaim rests on different principles, one of which was graphically expressed by the sponsors of the Act of which Section 250(2) is a part: It is 'as much the duty of the citizen to pay the Government as it is the duty of the Government to pay the citizen.' 59 Cong. Globe 1674, 37th Cong. 2d Sess."

The case of *King County, Washington, et al. v. U. S. Shipping Board Emergency Fleet Corp.* (C.C.A. 9), 282 Fed. 950, cited on page 17 of Appellee's brief, needs no extended comment. In that case this Court merely held that property purchased by the Fleet Corporation with funds especially appropriated by Congress for that purpose was not subject to taxation by State authorities because the property so purchased was that of the United States and not that of the Fleet Corporation which merely held the naked legal title thereto. A like situation was presented in *U. S. Shipping Board Emergency Fleet Corp. v. Delaware County, Pennsylvania* (C.C.A. 3), 17 F.(2d) 40. The two cases last referred to are cited in the Opening Brief for Appellant, pages 27-29.

About two months prior to its decision in the *King County, Wash.* case, *supra,* this Court in *United States v. Matthews* (C.C.A. 9), 282 Fed. 266, held that the Fleet Corporation and not the United States was the proper entity to recover money paid out by the Fleet Corporation by error and mistake.

Appellee also cites and quotes (p. 16) from the opinion in *Defense Supplies Corporation v. United States Lines Co. et al.,* 57 F. Supp. 291. Here reference is made rather to the decision on appeal in *Defense Supplies Corporation v. United States Lines Co. et al.* (C.C.A. 2), 148 F.(2d) 311. The Court stated that the question was "whether the Defense Supplies Corporation may bring suit against the United States under the Suits in Admiralty Act" and held that such suit could not be maintained because a suit by Defense Supplies was nothing more than an action by the United States against the United States. In other words, as between Defense Sup-

plies and the United States, its creator, there is not the status of the separate corporate entity which prevails in other situations.

In *Clallam County v. United States,* 263 U.S. 341, 68 L.Ed. 328, it was held that a state cannot tax the property of a liquidating corporation which, though formed under its laws, was brought into existence and operated by the United States purely as an instrument of war, whose property was furnished, whose stock and bonds were held, and whose assets realized from liquidation would be taken over by the United States alone. The Court stated the facts briefly as follows (p. 344):

> "In short the Spruce Production Corporation was organized by the United States as an instrumentality for carrying on the war, all its property was conveyed to it by or bought with money coming from the United States and was used by it solely as means to that end, and when the war was over it stopped its work except so far as it found it necessary to go on in order to wind up its affairs. When the winding up is accomplished there will be a loss, but whatever assets may be realized will go to the United States. Upon these facts immunity is claimed from taxation by a State."

Erickson v. United States, 264 U.S. 246, 68 L.Ed. 661, cited by Appellee on page 25, involved the question whether the District Court had jurisdiction of a suit in which the United States joined as plaintiff with United States Spruce Production Corporation. In sustaining jurisdiction the Court said (p. 249):

> "The United States is one of the plaintiffs and joined in the suit by way of asserting and seeking to enforce a right in which it claims to have a direct

and legal interest. Judged by the complaint, the claim made by the United States is not frivolous or wholly without support but is real and substantial. In other words, it calls for consideration and determination. This involves an exercise of jurisdiction, whether the ultimate decision sustains or rejects the claim. Jurisdiction is power to decide the case either way, as the merits may require."

The cases herein referred to as well as the others cited by Appellee show that they involve circumstances and principles different from those here involved. The question here involved is whether Defense Supplies was entitled to the immunity enjoyed by the United States under contracts with land-grant carriers to have property transported at less than commercial tariff charges.

In *Reconstruction Finance Corporation v. Menihan,* 312 U.S. 81, 85 L.Ed. 595, the Court, referring to R.F.C., held:

> "While it acts as a governmental agency in performing its functions (see Pitman v. Home Owners' Loan Corp. 308 U.S. 21, 32, 33), still its transactions are akin to those of private enterprises, and the mere fact that it is an agency of the Government does not extend to it the immunity of a sovereign."

The United States owns all of the stock of the R.F.C., which in turn owned all of the stock of Defense Supplies. While Defense Supplies may have acted as a governmental agency in performing its functions, still its transactions were akin to those of private enterprises and the mere fact that it was an agency of the Government did not extend to it the immunity of the sovereign from the payment of full commercial rates.

As said in *Keifer & Keifer v. Reconstruction Finance Corp.*, 306 U.S. 381, 389, 83 L.Ed. 784:

> "Congress may, of course, endow a governmental corporation with the Government's immunity. But always the question is: Has it done so?"

The immunity of the sovereign from the payment of taxes, except local taxes on real estate, was extended to Defense Supplies (see opening brief for Appellant, p. 39). The privilege of the sovereign to the free use (Tr. 56) of the United States mails was extended to Defense Supplies, but the immunity of the sovereign from the payment of the full commercial tariff rates on the transportation of certain property, as provided in the contracts between the United States and the carriers, was not extended to Defense Supplies.

Defense Supplies was created in pursuance of authority granted by Congress, and Congress has recognized that there is a distinction between property owned by the United States and that owned by a corporation in which the United States owns the entire outstanding capital stock. See 46 U.S.C.A., Sec. 741, quoted on page 66 of Appellant's opening brief.

The cases showing that Defense Supplies was a corporate entity separate and distinct from the United States and from its departments or boards, and that the property of the corporation was not the property of its stockholder (and it should be borne in mind that R.F.C. and not the United States was the stockholder) are reviewed in the opening brief for Appellant (pp. 30-41). Appellee, however, in its brief (pp. 26 and 45), states that in this case we are not dealing with the status of the corporate

entity but with the status of the property. The status of the property as alleged by Defense Supplies in its Answer in this case, and as agreed in the Stipulation of Facts, was that the motor benzol was purchased and owned by and was the property of Defense Supplies at the time of its transportation. There is neither allegation nor evidence that the motor benzol was purchased with money appropriated by Congress for that purpose, as was the case of the property involved in *King County, Washington v. U. S. Shipping Board Emergency Fleet Corporation, supra,* decided by this Court.

THE MOTOR BENZOL AT THE TIME OF ITS TRANSPORTATION WAS NEITHER PROPERTY OF THE UNITED STATES NOR MILITARY OR NAVAL PROPERTY OF THE UNITED STATES AND IT WAS NOT MOVING FOR MILITARY OR NAVAL USE WITHIN THE MEANING OF THAT LANGUAGE AS USED IN SECTION 321(a).

(Appellee's Brief, Pages 27-44)

In its opening brief Appellant reviewed the facts and authorities showing that the motor benzol was not military or naval property of the United States (pp. 42-53); that the motor benzol was not at the time of its transportation moving for military or naval use (pp. 54-56), and that the motor benzol was at the time of its transportation neither property of the United States nor military or naval property of the United States and that it was not moving for military or naval use within the meaning of that language as used in Section 321(a) (pp. 56-72). It is unnecessary to review again those facts and authorities but some further comment is desirable in the light of the argument by Appellee.

The substance of the argument for Appellee beginning on page 27 of its brief under the heading "THE MOTOR BENZOL, AT THE TIME OF ITS TRANSPORTATION, WAS 'MILITARY OR NAVAL' PROPERTY OF THE UNITED STATES AND WAS 'MOVING FOR MILITARY OR NAVAL AND NOT FOR CIVIL USE,' WITHIN THE MEANING OF SECTION 321(a) OF THE TRANSPORTATION ACT OF 1940" is that because the Transportation Act of 1940 was enacted after the beginning of World War II, the exception contained in Section 321(a) providing "except that the foregoing provision shall not apply to the transportation of military or naval property of the United States moving for military or naval and not for civil use" should be given a broader interpretation than the language used by Congress justifies. This argument was accepted by the trial court in this case. In its opinion, after referring to the outbreak of World War II and its horrors (Tr. 206), the Court said (Tr. 207):

> "Hence, it is that a just and fair adjudication of the meaning of the statute's language cannot be made without considering the overall effect of the concept of total global warfare."

Such argument was apparently accepted in the case of *Northern Pacific Railway Company v. United States* (C.C.A. 7), (.....), cited on page 27 of Appellee's brief, in which the property was owned by the United States and not by one of its corporations. A similar argument was made by the United States in *United States v. Powell* (C.C.A. 4), 152 F.(2d) 228, but in that case the Court held (p. 229):

> "The Transportation Act was passed before the Lend-Lease Act, 22 U.S.C.A. Sec. 411 et seq. Sympathies in this country then ran strongly against the Axis powers; it was pretty generally agreed that we should help the enemies of the Axis; there was real fear that the United States might become involved in the conflict; swift measures for defense had to be perfected on an extremely wide scale. Yet, with this picture before it, we must presume that Congress deliberately used the words 'military or naval' in their generally accepted meaning."

In substance Appellee is contending that the exception contained in Section 321(a) should not be construed as written "except that the foregoing provision shall not apply to the transportation of military or naval property of the United States moving for military or naval and not for civil use," but as if Congress had written the exception as follows:

> "except that the foregoing provision shall not apply to the transportation of military or naval property of the United States moving for military or naval and not for civil use or to the transportation of materials owned by Government corporations and moving for ultimate sale to and use by private concerns in the manufacture or production of property suitable for military or naval use."

Of course, Congress knew at the time it enacted the Transportation Act of 1940 that World War II was being waged; that the United States might be drawn into that war; that about three months prior to the enactment of that legislation it had authorized the creation of corporate instrumentalities of the United States such as Defense Supplies, to engage in the buying and selling of strategic

and critical materials and in materials for the manufacture or production of military or naval property, and that less than a month prior to the enactment of the Transportation Act of 1940 Defense Supplies had been created pursuant to authority given by it to engage in the buying and selling of strategic and critical materials and in materials suitable for the manufacture of military or naval property. Congress, however, in writing the exception, used the language "except that the foregoing provision shall not apply to the transportation of military or naval property of the United States moving for military or naval and not for civil use."

Section 321(a) also shows that Congress used considerable care in its preparation. Congress enlarged the obligation of the carriers by providing that the right of the carriers to charge the full commercial rates should not apply to the transportation of the property of the members of the military or naval forces of the United States when such members are traveling on official duty. Had Congress intended that the right of the carriers to full commercial rates under Section 321(a) should not apply to the transportation of materials owned by Government corporations moving for ultimate sale to and use by private concerns in the manufacture or production of property suitable for military or naval use, it would undoubtedly have used apt language to indicate such intention as it used apt language to indicate that the carriers could not charge the full commercial rates for the transportation of the property of members of the military or naval forces of the United States when traveling on official duty.

The fact that "any civilian use of both motor benzol and synthetic rubber was, at all times pertinent here,

only the use permitted under war-time conservation orders designed strictly to limit civilian use thereof for purposes best designed to further defense and war" (Appellee's brief, pp. 43-44), and the fact that the War Production Board issued Conservation Order No. M-137 (7 F.R. 2944), imposing restriction upon the use and delivery of benzol and that Order began with the words:

> "the fulfillment of requirements *for the defense of the United States* has created a shortage in the supply of *benzine (benzol) for defense,* for private account, and for export; and the following order is deemed necessary and appropriate in the public interest and *to promote the national defense.*"

are without significance in determining whether the motor benzol was at the time of its transportation military or naval property. See Appellant's opening brief (pp. 50-53).

In the Federal Register for April, 1942, alone there are 43 conservation, limitation or other orders issued by the War Production Board beginning with language the same or substantially the same as that with which Conservation Order No. M-137 began. For example, Conservation Order No. M-125 (7 F.R. 2709), imposed restrictions on sales, deliveries and cutting of Loofa Sponges as well as restrictions on the use of Loofa Sponges. This Order began as follows:

> "The fulfillment of requirements for *the defense of the United States* has created a shortage in the supply of *Loofa Sponges for defense,* for private account and for export; and the following Order is deemed necessary and appropriate in the public interest and *to promote the national defense.*" (Emphasis supplied.)

It seems unnecessary to argue further that the motor benzol was not at the time of its transportation moving for military or naval use. It was purchased by Defense Supplies in pursuance of a recommendation made by the War Production Board that a stockpile of motor benzol be created. Motor benzol was purchased by Defense Supplies pursuant to resolutions of its Executive Committee authorizing the purchase, storage, processing and disposition of the motor benzol and by-products resulting therefrom.

As appears from the exhibit to the Complaint (between pp. 10 and 25 of the Transcript) 6,226,551 pounds of motor benzol in the aggregate were transported. Of this quantity 1,088,400 pounds, or about 17½%, were placed in storage over a year before Defense Supplies entered into its first contract for the sale of benzol, that is, the contract with Wilshire Oil Company dated November 16, 1943 (Tr. 47); 3,880,760 pounds or slightly over 62% of the total quantity of motor benzol were placed in storage over seven months before the first contract of sale was entered into. This storage of the motor benzol was not a military or naval use, and its subsequent processing and sale were not military or naval uses.

Respectfully submitted,

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Attorneys for Appellant.

Dated at San Francisco, California,
September 20, 1946.

(APPENDIX FOLLOWS)

DEPARTMENT OF THE INTERIOR

Information Service

GENERAL LAND OFFICE

For Release MONDAY, DECEMBER 30, 1940.

Relinquishing the right of the Southern Pacific Railroad to claim more than 2,000,000 acres of public land in Southern California, a land grant claim release submitted by that railroad today was approved by Secretary of the Interior Harold L. Ickes.

Approval of the release clears the track for the Southern Pacific to take advantage of increased rates for certain classes of Government freight and passenger business as authorized by the Transportation Act of 1940. Under that Act, roads originally constructed with the aid of grants of public land may discontinue preferential reduced rates accorded the Government on certain forms of traffic if, as and when the roads receive approval by the Secretary of the Interior of a formal release of any claim under such grants.

To date, 24 such releases have been approved by the Secretary of the Interior. Each of these, however, unlike the Southern Pacific release, embraced grants which had been completed and closed for some time, and no question of relinquishment of pending claims for land was involved.

First of the Nation's railroads to relinquish their right to claim grants of land made more than 75 years ago, but not yet completely adjusted and closed, the Southern

Pacific release embraces approximately 2,109,000 acres of land which General Land Office records reveal, still were due the road to complete the grant, but which now have been relinquished in favor of the opportunity to establish increased rates for Government traffic.

Involving the Central Pacific, the main line and the branch line of the Southern Pacific, original grants to these roads, made in 1864, 1866 and 1871, respectively, totalled about 16,835,000 acres of public domain. Of this original grant, the roads received title to approximately 14,725,000 acres from the United States. Claims for the 2,109,000 deficiency, brought about by insufficient suitable public land in the area to meet the requirements of the original grant, now have been released by Southern Pacific.

Although formal approval by the Secretary of the land grant claim releases submitted by the railroads paves the way for the initiation of increased rates for the Government business, it was emphasized today that, under the Act, the Department of the Interior maintains no jurisdiction over the matter of railroad rates or the date upon which increases may be put into effect.

The land grant territory embraced in the Southern Pacific release includes areas traversed by its predecessor, the Central Pacific Railroad Company, from Sacramento, California, eastward to a junction with the Union Pacific Railway near Ogden, Utah, the main line of the Southern Pacific from San Jose through Mohave to Needles, California, and the branch line of the Southern Pacific from Mohave by way of Los Angeles to the Colorado River, at Yuma, Arizona.

The release also affords opportunity for the initiation of increased rates in territory traversed by the Oregon and

California Railroad from Portland through Ashland, Oregon, to the California State line, and the California and Oregon Railroad from Roseville, California, northerly to a junction with the Oregon and California at the Oregon State line.

P.N. 126554